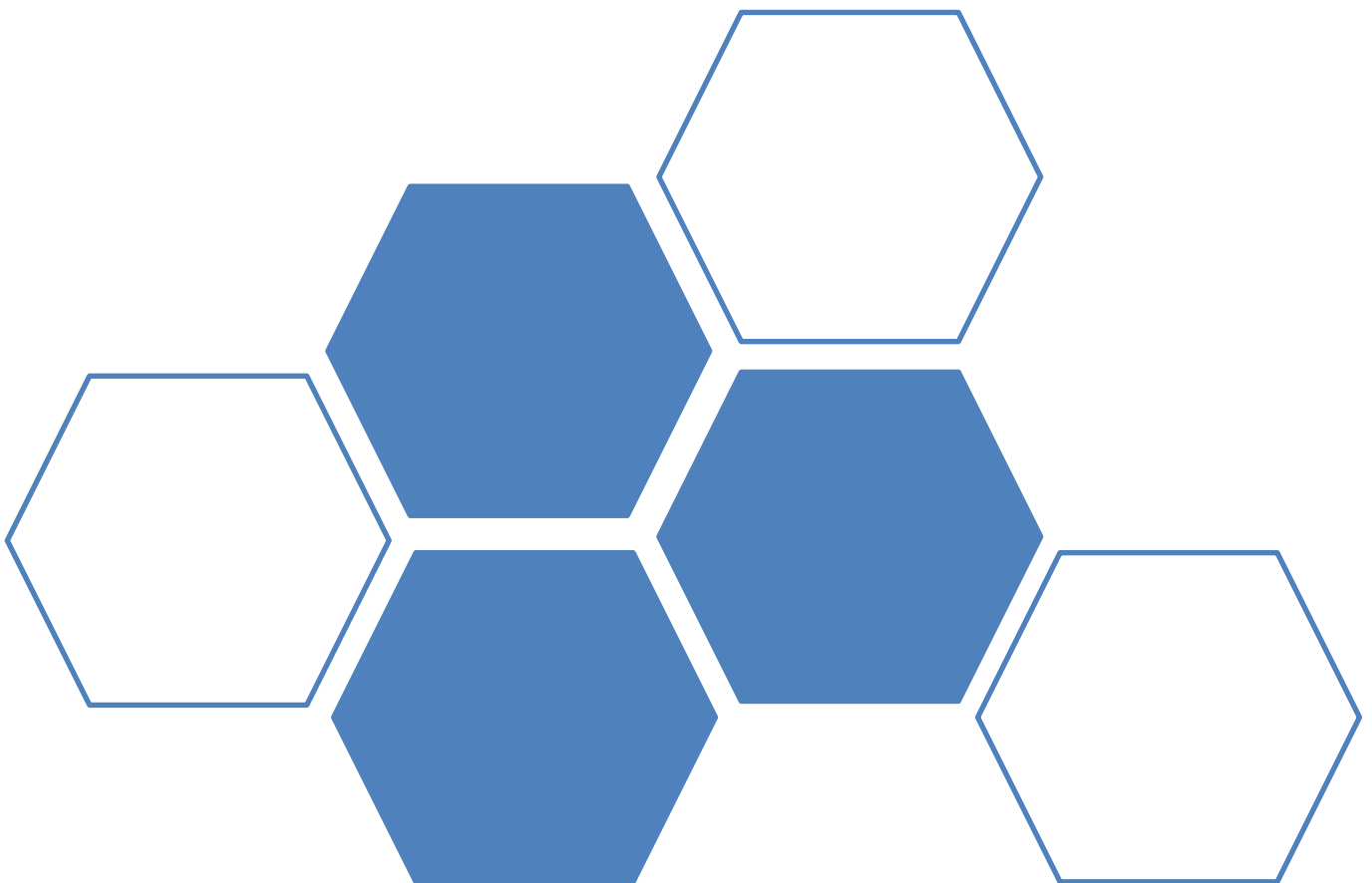




# Tenancy Strategy

2019-2022





Welcome to the Council's new Tenancy Strategy 2019-2022.

The Council recognises that a secure home is an essential cornerstone to a person's life chances. Having a stable home and environment can have a positive impact on the ability to secure employment, children's education attainment, and on a person's overall health and wellbeing.

This Strategy sets out the Council's expectations of Registered Providers with housing in the Borough as to the kind of tenancies they grant which will make the best use of the social housing stock available in the Borough whilst being affordable and promoting sustainable communities.

**Councillor Paul Mercer**  
**Lead Member for Housing**



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The aim of the Tenancy Strategy is to ensure as far as possible a consistent approach to the use of Fixed Term Tenancies in the Borough and that affordable housing is genuinely affordable, to ensure that changes to tenure while making the best use of housing stock does not have an adverse impact on homelessness

The 2011 Localism Act introduced a duty on Local Authorities to prepare and publish a Tenancy Strategy. The purpose of this Strategy is to set out what Registered Providers (formerly known as Housing Associations) who own stock in the Borough need to have regard to when formulating their Policies on Tenancies and in any subsequent reviews and revisions.

This Tenancy Strategy is the second Strategy for Charnwood Borough Council and replaces the 2012-2017 Charnwood Borough Council Tenancy Strategy.

This Tenancy Strategy informs and is informed by the Council's Homelessness Strategy and Allocations Policy.

The Localism Act introduced a fundamental reform of the social housing tenure, the principal reforms were:

- That Registered Providers can offer Fixed Term Tenancies of a minimum

of 5 years, or in exceptional circumstances 2 years

- Increased flexibility for Councils to set their own Allocations Policies to meet local needs and circumstances
- The ability for Councils to place homeless households in suitable Private Rented Sector housing
- New social housing developments to include Affordable Rent model with rents of up to 80% market rent on new homes and the ability to convert vacant Social Rent homes to Affordable Rent
- Registered Providers being required to adopt and publish a Tenancy Policy
- Councils being required to consult on, adopt and publish a Tenancy Strategy
- The introduction of Affordable Rents and Fixed Term Tenancies has implications for tenants who wish to Mutual Exchange
- Changes to the rights of Succession has limited those able to succeed to a Tenancy on the death of the tenant

The introduction of both Fixed Term Tenancies and Affordable Rents has the potential to increase the number of people who can access affordable housing through an increase in supply and by more effective use of existing stock.

However, both initiatives need to be carefully monitored to ensure that any consequences can be mitigated and they do not have an impact on the levels of homelessness in the Borough.



Given the scale of the changes introduced by the Localism Act and the likely impact on a wide range of partners and stakeholders it was important to maximise the impact of the consultation during the development of the Council's first Tenancy Strategy and Tenancy Policy in 2011.

A range of approaches were used including the holding of stakeholder events discussions at stakeholder groups and surveys of stakeholders and Housing Register applicants

The Localism Act introduced a requirement on Local Authorities to send a copy of the draft Strategy or proposed modifications, to every Registered Provider with housing in the Borough and to give the Registered Provider reasonable opportunity to comment on these proposals.

For the development of this Tenancy Strategy a questionnaire was sent to all the Registered Providers in the Borough to understand the use of both Fixed Term Tenancies and Affordable Rent across their stock and whether they intend to introduce these in the future.

The following 6 responses were received.

Registered Provider	Fixed Term Tenancies Offered
Midland Heart	Yes- Fixed Term Tenancies Offered to new tenants of properties 4 plus beds
NCHA	No- Introduced Fixed Term Tenancies but have now made the decision to discontinue with Fixed Term Tenancies
EMH Homes	No
Longhurst Housing	No
PA Housing	No
Derwent Housing	No

## Current Position of Registered Providers in the Borough

There are 15 Registered Providers letting properties in the Borough providing a total of 2,901 homes, which is 34% of the total Social and Affordable Housing Stock of 8,482.

A list of the Registered Providers operating in the Borough can be found at Appendix 1.

The Council currently owns 5,581 properties



Fixed Term Tenancies can be used to ensure social housing stock is available for those who need it most.

Where Registered Providers decide to use Fixed Term Tenancies the following factors should be taken into account.

Fixed Term Tenancies should be for a minimum of 5 years, with consideration given for longer periods of time in specific circumstances.

In particular, longer Fixed Term Tenancies should be considered for families with young children, older households and for vulnerable tenants who would benefit from the increased stability offered.

Tenants going into Sheltered or Extra Care Housing should be given Lifetime Tenancies.

Shorter Term Tenancies (2 years) should only be used in exceptional circumstances, for example:

- Where the accommodation is only intended to be short term
- Where there have been significant previous Tenancy breaches
- Where there are concerns about affordability of the Tenancy

All prospective tenants should be given clear information on the type of Tenancy, the reasons for offering that Tenancy and

how the process for reviewing the Fixed Term Tenancies.

Decisions to end a Fixed Term Tenancy by accelerated possession proceedings should be proportionate and tenants should be provided with clear, accessible guidance on the Registered Provider's internal process.

## Reviewing Fixed Term Tenancies

Registered Providers should explain in their Tenancy Policy the process for reviewing a Fixed Term Tenancy, detailing how frequently a Fixed Term Tenancy will be reviewed and what factors will be considered as part of that review.

It is expected that Fixed Term Tenancies are reviewed at least 9 months prior to the end of the Tenancy.

The Council will expect a Fixed Term Tenancy to be renewed other than when a tenant's circumstances have changed significantly, such as:

- The property is adapted and no one household member requires the adaptation
- The property is under occupied
- The property is overcrowded
- Any breaches of Tenancy or Tenancy fraud are identified during the Fixed Term Tenancy period.



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## Ending Fixed Term Tenancies

Where a Tenancy is to be ended without a breach of Tenancy, reasonable efforts should be made to offer suitable alternative accommodation and consideration given to extending the Tenancy until alternative suitable accommodation can be made available.

The Registered Provider must give at least 6 months written Notice to a tenant if the Tenancy is not renewed.

The reasons for ending the Tenancy should be clearly set out and information provided to the tenant on how to make an appeal. The tenant then has 21 days from the date of the Notice of nonrenewal to request a review and it is not necessary for this request to be in writing.

When carrying out the review the Registered Provider must consider whether its decision not to renew the Tenancy, is consistent with the renewal process for Fixed Term Tenancies.

The Registered Provider must notify the tenant, in writing, of its decision on review, and if the review upholds the original decision, the tenant must be given reasons for the decision.

The Registered Provider should inform the Housing Options Team at Charnwood Borough Council when a decision has been made to end a Tenancy and the reasons for ending the Tenancy.



## Affordable Rent

Affordable housing development is developed through 2 mechanisms:

- Planning obligations in Section 106 Agreements
- Grant funding from Homes England (HE)

In the Charnwood Borough, Section 106 Agreements deliver:

- Affordable Rented and Social Rented properties
- Affordable home ownership such as Shared Ownership:

HE Shared Ownership and Affordable Homes Programme provides grant funding for the following schemes:

- Help to Buy - requiring a smaller deposit
- Buying a share of a home – shared ownership
- Help to save for a deposit by paying a below market rent.

Social Rented housing has a rent level determined through the National Rent Regime

Affordable Rented housing is not subject to the new National Rent Regime and rents are set at a level of up to 80% of the Market Rent.

While it is recognise that Affordable Rent housing is essential for the delivery of new homes funded by the HE, the cost of

these may reach a level which, is unaffordable to residents of the Borough

This is especially the case where changes to the welfare system have seen benefits no longer covering the full cost of a household rent, because of the benefit cap and the spare room subsidy.

The Council would prefer rents to be at a Social Rent level wherever possible, but recognises that in order to secure new supply, Affordable Rent will be delivered.

Affordable Rented and Socially Rented properties will be advertised alongside one another within the Council's Choice Based Lettings Scheme

The Council would not expect additional qualifying criteria to be attached to Affordable Rented properties. Adverts will contain sufficient information to allow applicants to make informed choices based on their individual circumstances and available properties

## Converting existing properties into Affordable Rent

Registered Providers have the ability to convert existing Social Rent properties into Affordable Rent with the additional investment being raised used for investment in new affordable housing.

The proportion of extra rent that can be charged under Affordable Rents increases along with property size, and as a result, in order to maximise income there may be a tendency for Registered





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Providers to concentrate rent conversions on their larger properties.

## Affordability

Currently all Affordable Rents across the Borough fall within the Local Housing Allowance (LHA) cap in Charnwood, although this situation will need to be monitored as it could change over the life of this Strategy.

When setting Affordable Rents the Council would expect Registered Providers to have regard to general affordability and the differential between Social Rents and Affordable Rents. This is to ensure not only Affordable Rents remain affordable for those on low incomes, but that significant differences in demand between Social Rents and Affordable Rents do not emerge that would undermine their ability to assist in meeting housing need



# mutual exchanges

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The Council recognises that for many tenants Mutual Exchanges are an important option available to them to improve their housing situation and social mobility

As a result, the Council would not want changes to the tenure legislation to impact on the effectiveness of this option.

The Council therefore would encourage Registered Providers to consider granting a degree of security equal to what is being given up, even though they are not obliged to do so to ensure that exchanges are an effective tool.

The introduction of Affordable Rents and Fixed Term Tenancies has implications for tenants who wish to exercise their right to Mutual Exchange.

Although there is some protections for existing tenants in certain circumstances these protections are not universal.

The Localism Act 2011 created a new mechanism for Mutual Exchanges to protect certain lifetime tenants following the introduction of Fixed Term Tenancies.

Assured Lifetime and Secure Lifetime tenants who were granted their Tenancy prior to 1 April 2012, whereby if they exchange with a tenant on a Fixed Term Tenancy, then a new Tenancy is issued to each and the tenant is granted another assured Tenancy.

The Fixed Term Tenant is granted a new Tenancy but there is no particular provision regarding its status so it will be a matter for the Registered Provider to decide what type of Tenancy to offer.

The legislation will only apply in a limited number of cases, but Registered Providers should ensure that, whatever the legal mechanism for Mutual Exchange, tenants are aware of the implications, including any changes in secure or assured status, any change in rent level between social and Affordable Rent, and any gain or loss of the Right to Buy, Preserved Right to Buy, or Tenancy Right to Acquire



Prior to the Localism Act 2011 a wide range of family members were able to succeed to a Tenancy on the death of a secure tenant, include spouses, partners, civil partners, parents, grandparents, children, grandchildren, aunts, uncles, nieces , nephews and adopted children.

The Localism Act 2011 introduced changes to the statutory regime for Succession to a Tenancy when a tenant dies.

It remains that there can only be 1 Succession and that when 1 joint tenant dies this counts as 1 Succession

Under the Localism Act Secure Tenancies which started after 1 April 2012 are limited to the Succession of spouses or civil partners. This is an automatic right

The Registered Provider can make express provision in the Tenancy agreement to expand the group of individuals and family members that can succeed.

Given the level of housing need in the Borough, the Council will not support significant extension to the right to succeed.

However, following the death of a tenant if there is someone residing in the home, as his or her principal residence, who is not entitled to succeed, the landlord should

- provide housing options advice and assistance to that person
- make sure that their Policies protect the interests of vulnerable people and
- where appropriate offer alternative accommodation of a size that meets that person's needs



## Resources

### Delivering the Tenancy Strategy

The key resources required to deliver this Strategy include:

- Housing Strategy and Support Manager
- Registered Providers having regard to the Tenancy Strategy when developing Tenancy Policies

## Monitoring

### Performance Monitoring and Review

The Strategy will be monitored and reviewed on an annual basis or more frequently as changes in legislation, including benefits entitlement, may dictate.

Minor changes which make no significant difference to service provision will be made to the document under delegated authority by the Head of Strategic and Private Sector Housing in consultation with the Lead Member for Housing.

Should the Policy be impacted by significant changes or financial implications, it will be taken to Cabinet for consideration.



Registered Provider Housing Stock for Rent in the Borough	
Registered Provider	Number of Properties for Rent
Abbeyfield Loughborough Society	2
Advance Housing and Support	54
Paragon ASRA Housing	225
Derwent Living	80
East Midlands Housing Group	637
Hanover Housing Association	58
Housing and Care 21	405
Longhurst Group	442
Longhurst Friendship Care and Housing	287
Metropolitan Housing	156
Midland Heart Group Limited	18
Nottingham Community Housing Association	173
Riverside Housing Association	312
Stonewater	12
TunTum Housing	2
<b>Total</b>	<b>2,901</b>



